



Climate Change Response (Zero Carbon) Amendment Bill: Summary

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Message from the Minister

Four of the past six years have been among the warmest in New Zealand's recorded history. 2016 remains the hottest year on record with 2018 and 1998 tied in second place. Last year also marked a new record for the warmest minimum temperatures, previously held by 2016.

New Zealand has always experienced droughts, floods, fires and storms, but climate change is affecting the frequency, severity and cost of these events. For example, the conditions that led to New Zealand's 2013 drought – our worst for 41 years, is estimated to have cost the economy NZ\$1.3 billion — were made more likely by the effects of continued warming.

Last year, New Zealand was hit by Cyclones Fehi, on February 1 and, less than three weeks later, by Cyclone Gita. Both caused tremendous destruction to homes and infrastructure.

The insurance bill for Fehi was \$45.9m. For Gita it was \$35.6m. The April storm that followed Cyclones Fehi and Gita also wreaked destruction and was even more costly, at \$74.4 million.

The scenes from the 2017 Port Hills fire in Christchurch and again from early 2019 in Nelson and Tasman more strongly resembled an Australian bush fire than anything we're used to seeing in New Zealand.

Rising seas are starting to affect our towns and cities, with increasing reports of sea water blocking storm drains and causing surface flooding during heavy rainfall. Whanganui, South Dunedin and others are experiencing one-in-100 year floods several years running. Auckland's Tāmaki Drive is now regularly submerged by sea-water.

If we get the 0.3 metre sea level rise projected for 2060, some parts of the country will experience one-in-100 year flooding every four years or even annually. On top of that, scientists have just told us that the world's largest chunk of sea ice, the Ross Ice Shelf, is melting 10 times faster than expected due to ocean warming.

This is the grim reality. But we can do something about it.

When New Zealand, alongside nearly 200 other countries, adopted the Paris Agreement, it was a critical breakthrough. It signalled a commitment by each nation to play their part in limiting global warming to well below 2 degrees Celsius above pre-industrial levels and as close as possible to 1.5 degrees Celsius.

Last year the United Nations published a report that sent shockwaves around the world, showing us how severe the impacts would be on our environment, economy and way of life, if we allow global warming to exceed even 1.5 degrees Celsius.

This Bill gives New Zealand a plan to deliver on our Paris commitment. And, as far as we are aware, it is the first legislation in the world to make a legally binding commitment to living within 1.5 degrees Celsius of global warming.

This Bill locks New Zealand's targets for cutting greenhouse gas emissions into primary legislation for the first time. It also sets up a framework of five-year emissions budgets for achieving those targets and establishes a new, politically neutral and independent Climate Change Commission to keep us on track and to hold successive governments accountable.

The long-term target for reducing New Zealand's greenhouse gas emissions is based on scientific advice that it meets the requirement to keep within 1.5 degrees of global warming.

This Bill also creates a legal requirement to adapt to the effects of climate change. Preparedness is crucial to minimising the cost and grief of extreme climate events.

Some people fear the transition will cost our economy. But all our economic modelling shows GDP and household incomes will continue to rise. In fact, countries that are successfully reducing their emissions have seen their economic growth continue to rise at the same time. This includes major economies like the United Kingdom and Germany, as well as mid-sized economies more like ours, such as Sweden, Norway, Finland and the Netherlands.

As businesses gain confidence to invest in new low-emissions technologies, new industries and jobs emerge, and we build our global advantage and get ahead in a world that is also in transition.

New Zealand is well positioned. We have over 80 per cent renewable electricity generation and will have more by 2035. We are phasing out offshore oil and gas and working with industrial processors such as Fonterra to transition away from fossil fuels.

We are shifting the government fleet to electric vehicles and we are working on options to help shift New Zealand's wider vehicle fleet over to EVs as well.

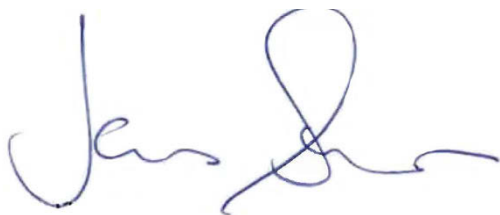
We have established Green Investment Finance Ltd, re-established the home insulation scheme, and are investing \$14.5 billion into better public transport and walking and cycling infrastructure over the next 10 years.

This year, we will be making major reforms to the Emissions Trading Scheme to ensure it is an effective and efficient tool to support our emissions reductions.

This Bill will commit this Government and successive governments to reduce our greenhouse gas emissions and to be held accountable by the Climate Change Commission.

It is a Bill that has been born of the combined efforts of many. The youth climate organisation Generation Zero first proposed the Bill and popularised it before the 2017 election. Environmental NGOs, businesses and business organisations, farmers and farming industry bodies, Iwi and Māori organisations have worked tirelessly and constructively with the Government and with the Opposition to develop a Bill that, I believe, meets the scientific goal of staying within 1.5 degrees of global warming and also represents the broadest possible consensus across New Zealand society about how to get there.

In April this year, tens of thousands of New Zealand school students went on strike to protest the failure of adults to take decisive action over the last 30 years. This Bill presents our plan for how we act over the next 30 years, to safeguard their future – and that of their children.

A handwritten signature in blue ink, appearing to read 'James Shaw', with a stylized, flowing script.

The Hon James Shaw. Minister for Climate Change

Introduction

The Climate Change Response (Zero Carbon) Amendment Bill

The Climate Change Response (Zero Carbon) Amendment Bill (Zero Carbon Amendment Bill) will set the framework for New Zealand's transition to a low emissions and climate resilient economy.

The original proposal was for a separate piece of legislation called the Zero Carbon Bill. The Government has now decided to introduce it as an amendment to the current Climate Change Response Act 2002. This will ensure that all key climate legislation is within one Act. It will do four key things:

1. Set a new greenhouse gas emissions reduction target, to:
 - reduce all greenhouse gases (except biogenic methane) to net zero by 2050
 - reduce emissions of biogenic methane within the range of 24–47 per cent below 2017 levels by 2050 including to 10 per cent below 2017 levels by 2030.
2. Set a series of emissions budgets to act as stepping stones towards the long-term target.
3. Require the Government to develop and implement policies for climate change adaptation and mitigation.
4. Establish a new, independent Climate Change Commission to provide expert advice and monitoring, to help keep successive governments on track to meeting long-term goals.

How we got here

In shaping the Zero Carbon Amendment Bill, we have listened to the views of New Zealanders, analysed information, and looked at successful approaches to climate change legislation around the world.

- **Jan–May 2018**
Economic modelling and policy development
- **7 June–19 July 2018**
Consultation with New Zealanders
More than 15,000 submissions received
- **December 2018–May 2019**
Cabinet decisions on the content of the Zero Carbon Amendment Bill drafted

What happens next?

- **May 2019**
Zero Carbon Amendment Bill introduced to the House of Representatives
- **June 2019**
Select Committee considers Zero Carbon Amendment Bill and calls for public submissions
- **Late 2019**
Zero Carbon Amendment Bill passes into law
Climate Change Commission established

The time is right

Aotearoa New Zealand is ready to take decisive action on climate change. This Government is committed to ensuring we act in a way that not only reduces our impact on the climate and increases our resilience to climate change, but also creates jobs and helps improve the lives of New Zealanders.

New Zealanders have given us a mandate of support for significant change. The Zero Carbon Amendment Bill will form an enduring legal and policy framework for the transition to a low emissions and climate resilient New Zealand.

What will it mean for New Zealand?

Benefits

There can be other significant gains from strong climate action, including less traffic congestion, better health, cleaner air and water, and a safer environment for our native plants and animals.

The Zero Carbon Amendment Bill can help us build our global advantage. It will give businesses confidence to invest and innovate in existing and emerging low emissions technologies, and get ahead in a world that is also in transition.

The Zero Carbon Amendment Bill's four components form an enduring legal and policy framework, committing successive governments to taking action on climate change.

Challenges

Economic modelling shows that it will be challenging to make deep cuts to our greenhouse gas emissions by 2050. It could cost some sectors and communities more than others.

But we must do it – and we can. Research shows that early, strong action may slow down our economic growth, but that delayed action would likely cost us more overall. This is a transition over a number of years. Starting now means not leaving anyone behind.

We have developed a framework that balances ambition with pragmatism. We also need to manage the pace and nature of the transition, providing both certainty and some flexibility to adapt to unpredictable change.

The Climate Change Commission will advise on and review our long-term goals and emissions budgets. As an independent expert adviser, its role is to ensure these are robust and realistic.

Crown–Māori partnerships

The Zero Carbon Amendment Bill follows the guiding principles of the all-of-government approach to climate change policy. This means it seeks to enable the transition is just and inclusive and supports affected regions, sectors and communities (including iwi and Māori).

The Zero Carbon Amendment Bill gives effect to Te Tiriti o Waitangi through requirements to consult with iwi and Māori. These are addressed in the nominations process for the Climate Change Commission, the expertise of the commission, and in the plans for mitigation and adaptation.

In the next pages we give you a closer look at the proposals for each component.

The proposals

Setting a long-term emissions reduction target

The Climate Change Response (Zero Carbon) Amendment Bill intends to set an emissions reduction target for 2050. The form of this target, and the level of its components, were informed by climate science, likely economic impacts, and the international context.

Key proposals

The purpose section of the Zero Carbon Amendment Bill will clearly articulate Aotearoa New Zealand's commitment to reduce greenhouse gas emissions to a level consistent with holding global warming to no more than 1.5 degrees Celsius above pre-industrial levels.

This target will be set in primary legislation on the passing of the Zero Carbon Amendment Bill.

The emissions reduction target is to:

- reduce all greenhouse gases (except biogenic methane) to net zero by 2050
- reduce emissions of biogenic methane within the range of 24–47 percent below 2017 levels by 2050, including to 10 percent below 2017 levels by 2030

The Climate Change Commission may review the target, under certain conditions.

What does this mean?

- The Zero Carbon Amendment Bill will set New Zealand's ambition to reduce emissions in line with the Paris Agreement's long-term goal of limiting global warming to 1.5 degrees Celsius above pre-industrial levels.
- The Commission will review the target regularly to ensure that it remains fit-for-purpose. The Commission can recommend a change to the target, but only if there has been a significant change in circumstances which the Commission is satisfied justifies a change to the target.
- These significant changes in circumstances include:
 - global action
 - scientific understanding of climate change
 - New Zealand's economic or fiscal circumstances
 - New Zealand's obligations under relevant international agreements
 - technological developments
 - distributional impacts
 - equity implications (including generational equity).

The target will distinguish between biogenic methane and all other greenhouse gases

Our target distinguishes between biogenic methane and all other greenhouse gases.

The 2018 report of the Intergovernmental Panel on Climate Change¹ (IPCC) concluded that in scenarios consistent with limiting warming to 1.5 degrees Celsius, as set out in the Paris Agreement,² with limited or no overshoot:

- global emissions of carbon dioxide (CO₂) reduce to net zero around 2050, and below zero (negative) thereafter
- global emissions of agricultural methane reduce by 24–47 per cent from 2010 levels by 2050³
- expressed together using the GWP₁₀₀ equivalence metric, global greenhouse gas emissions are cut by 81–93 per cent from 2010 levels by 2050.⁴

The different requirements for CO₂ and methane are due to their different lifetimes in the atmosphere, potency as greenhouse gases, and consequently their warming effects.⁵ The emissions pathways in the IPCC report also reflect the mitigation options available, and their cost.

CO₂ is a long-lived greenhouse gas: it persists in the atmosphere for hundreds to thousands of years. Methane is short-lived: it degrades over decades. Emissions of short-lived gases can continue at a stable rate without necessarily increasing their concentration in the atmosphere. Our other major greenhouse gas, nitrous oxide (N₂O), has a lifetime between those of CO₂ and methane. In the context of achieving the temperature goals of the Paris Agreement, it can be considered as a long-lived gas.

A target that treats these gases differently reflects the IPCC assessment of how to limit warming to 1.5 degrees Celsius. New Zealand experts give similar advice, including that the world must reduce emissions of both long- and short-lived gases to achieve the Paris Agreement's temperature goal.⁶

This target will provide the goal posts for our transition to a low-emissions, climate resilient economy. It will also provide the confidence and incentives to drive domestic investment in low-emission technology, and diversification into low-emission industries.

¹ Intergovernmental Panel on Climate Change (2018). Global Warming of 1.5 °C. Available from www.ipcc.ch/report/sr15/

² Article 2,1,(a) of the Paris Agreement sets out the aims of the Agreement, which include “Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change”.

³ This is the central (interquartile) range, as provided in Figure SPM.3b of the Summary for Policy Makers, IPCC Special Report on Global Warming of 1.5°C.

⁴ This is the central (interquartile) range, as provided in Figure SPM.3b of the Summary for Policy Makers, IPCC Special Report on Global Warming of 1.5°C. Note that the IPCC report uses GWP₁₀₀ values from the Second Assessment Report (1996).

⁵ IPCC Special Report on Global Warming of 1.5°C.

⁶ For example: Allen MR, Shine KP, Fuglestad JS, Millar RJ, Cain M, Frame DJ, & Macey AH (2018). A solution to the misrepresentations of CO₂-equivalent emissions of short-lived climate pollutants under ambitious mitigation. *Npj Climate and Atmospheric Science*, 1(1), 16; and Reisinger A (2018). The contribution of methane emissions from New Zealand livestock to global warming: Report to the Parliamentary Commissioner for the Environment.

Why a different target for biogenic methane?

Reducing emissions of our major long-lived gases (carbon dioxide and nitrous oxide) to net zero will ensure that New Zealand is no longer contributing to further warming.

Unlike carbon dioxide (CO₂), methane is a short-lived greenhouse gas. It degrades in the atmosphere over decades. Once in equilibrium, it can continue to be emitted at a stable rate without increasing its concentration in the atmosphere. Carbon dioxide, by comparison, is long-lived, staying in the atmosphere for hundreds or thousands of years, meaning further emissions will increase its concentration in the atmosphere.

All methane molecules behave the same in the atmosphere, but they can come from two different types of sources: biological and fossil.

Biogenic methane is produced from biological (plant and animal) sources. This is carbon recently derived from CO₂ present in the atmosphere. When the methane is emitted, it causes additional warming (as methane is a more potent greenhouse gas than carbon dioxide), but over time it decays back to CO₂, without adding to the concentration of CO₂ in the long term. Biogenic methane is emitted by livestock, waste treatment, and wetlands, for example.

Fossil methane emissions, on the other hand, return geological carbon to the atmosphere that has typically been stored underground for millions of years. Releasing this methane adds to the atmospheric concentration of CO₂ (as well as causing additional warming as methane). The Zero Carbon Amendment Bill aims to reduce our emissions of fossil methane, together with other greenhouse gases except biogenic methane, to net zero. Examples of fossil methane sources include coal mining, natural gas leakage, and methanol production from natural gas.

For our 2050 target, biogenic methane is defined as that produced by the agriculture and waste sectors, which comes from biological (plant and animal) sources. The methane from agriculture is almost all from ruminant livestock (released in sheep and cow burps). The methane from waste is produced by organic material decomposing in landfills.

Rather than aiming for zero emissions of biogenic methane, the Zero Carbon Amendment Bill aims to reduce our emissions of biogenic methane within the range of 24–47 per cent below 2017 levels including to 10 per cent below 2017 levels by 2030.

Balancing certainty with flexibility

Setting a target so far into the future comes with uncertainty. It is important to balance the need for certainty with some level of flexibility, while remaining ambitious.

The Bill includes some flexible measures:

- the requirement for the Commission to review the target with each emissions budget, or if requested by the Government (a review may only result in a recommendation to change the target under certain conditions eg, significant changes in global action, science and technology, or the economy)
- the use of emissions reductions sourced from overseas, following advice from the Commission.

If the Commission recommended a change, the Government would need to consider the recommendations in Parliament as soon as practicable, and publicly respond with its intended course of action within 12 months. This could result in amending the target in the Climate Change Response Act (which would require a separate amendment bill process).

What about New Zealand's Nationally Determined Contributions?

The 2050 target doesn't change our commitment to communicating and achieving successive Nationally Determined Contributions (NDCs) under the Paris Agreement.

The target in New Zealand's NDC for 2021–2030 is to reduce greenhouse gas emissions to 30 per cent below 2005 levels by 2030.

What about the New Zealand Emissions Trading Scheme?

The New Zealand Emissions Trading Scheme (NZ ETS) will help us meet the 2050 target and successive NDCs. The scheme puts a price on emissions to encourage reductions, but in future it could also enable domestic emitters to buy international units.

The Commission will advise the Government on suitable settings for the NZ ETS, as outlined below.

Emissions budgets

The Zero Carbon Amendment Bill will establish emissions budgets that form stepping stones to our 2050 target.

Key proposals

- Draw up a series of five-year emissions budgets that specify the quantity of emissions permitted in each budget period, and help to meet the 2050 target.
- Require three emissions budgets to be in place at any one time, meaning that they are set 10 to 15 years in advance.
- Emissions budgets, and the plan for achieving them, will be set by the responsible Minister based on advice from the Climate Change Commission.
- The Climate Change Commission will also monitor progress towards meeting emissions budgets and the target.

What does this mean?

Each five-year emissions budget will mark a step towards our 2050 target. This ensures the transition is fair, and gives businesses and households more predictability.

For each five-year period, the emissions budget will state the quantity of greenhouse gas emissions permitted in CO₂ equivalent. It will cover all greenhouse gases – CO₂, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, and nitrogen trifluoride.

Emissions budgets will primarily be met through domestic action – that is, the reduction and removal (eg, through forestry) of domestic greenhouse gas emissions. In very limited circumstances, they will also allow for reductions sourced from overseas to meet emissions budgets.

How will emissions budgets be set?

The Commission and the responsible Minister will both have roles in determining the level of emissions budgets, and the plan for achieving them.

The Commission will advise the Government on setting emissions budgets. This will include the quantity of emissions permitted in a five-year budget period, and realistic means of meeting that, including by pricing and regulation.

The responsible Minister must present the Commission's advice to Parliament and respond within 12 months (or 15 months in an election year). If the Minister proposes to depart from the Commission's advice, they may consult more widely with New Zealanders.

In responding to the Commission, the Minister must explain why they have departed from the recommendations. Once prepared, the Minister would gain Cabinet approval before gazetting the emissions budgets and presenting a copy to the House of Representatives.

The table below sets out the relevant dates.

Dates for Commission's advice and government decisions on emissions budgets

Budget period	Commission's advice	Government response and notification
1 (2022–2025)	February 2021	31 December 2021
2 (2026–2030)	February 2021	31 December 2021
3 (2031–2035)	February 2021	31 December 2021
4 (2036–2040)	31 December 2024	31 December 2025
5 (2041–2045)	31 December 2029	31 December 2030
6 (2046–2050)	31 December 2034	31 December 2035

What factors will be considered when setting emissions budgets?

The Bill will require the Commission and the Minister to consider a range of factors, such as:

- a broad range of scientific advice
- the need for emissions budgets to be ambitious and also feasible
- the results of public consultation
- impacts and their distribution between regions, communities and generations
- technology and anticipated developments, and the costs and benefits of early adoption
- global responses to climate change, for instance by other Parties to the Paris Agreement.

For the full list, refer to new section 37 of the Climate Change Response (Zero Carbon) Amendment Bill.

Amending emissions budgets

The Government needs some flexibility to respond to changing circumstances, and to manage the transition as fairly as possible.

To ensure certainty and integrity when setting the emissions budgets, an emissions budget can only be altered in limited circumstances.

Once notified, an emissions budget can only be amended if there have been changes that significantly affect the basis on which an emissions budget was originally established. For example, agricultural science could provide a way to inhibit methane production by cows that could dramatically reduce our emissions. An emissions budget can also be altered if there have been improvements to the way that emissions are measured and reported.

To provide as much certainty as possible, an emissions budget can only be revised in exceptional circumstances if the budget period has begun.

If the Commission advises that an emissions budget be revised, the Minister must follow a rigorous process with a full explanation and public consultation.

Banking and borrowing between emissions budgets

The Zero Carbon Amendment Bill allows for 'banking' and limited 'borrowing' between emissions budgets.

Banking allows excess abatement gained in one emissions budget period to be counted towards the next.

Borrowing allows using a small part (up to one per cent) of the next emissions budget to 'meet' the current budget, and to smooth the transition between the two periods.

Any banking or borrowing would happen after the emissions budget period ends, and after the Commission has given recommendations, following specific criteria and processes.

Emissions reduction plans and monitoring

The Minister will be required to prepare and publish a plan outlining the policies and strategies for achieving the emissions budgets. This will be informed by advice from the Commission and relevant agencies across government.

The Commission will monitor New Zealand's progress towards emissions budgets and, ultimately, the 2050 target. This includes producing annual progress reports and a full review at the end of each budget period. The progress report and reviews will be available to the public.

The responsible Minister must also provide an explanation if New Zealand fails to meet its emissions budgets.

Aligning NZ ETS with emissions budgets

Improvements are underway to make sure the NZ ETS is fit for purpose in reducing our emissions, increasing removals and helping to meet the 2050 target. Those improvements will be made in 2019, along with the Government's policy response to the Interim Climate Change Committee's recommendations on how to treat greenhouse gas emissions from agriculture.

The NZ ETS is also being improved to ensure it can drive reductions in line with emissions budgets. The Government expects to introduce separate legislation to make these changes in 2019. That legislation will also include a regular role for the Commission to advise the Government on NZ ETS settings.

Adaptation

The world is already committed to some level of climate change due to past emissions, and it will continue to change regardless of what we do now to reduce emissions. These future changes will affect all New Zealanders, and we need to plan how we will respond.

Key proposals

A framework for enhanced action on adaptation will consist of:

- a National Climate Change Risk Assessment, to improve our understanding of the climate risks that Aotearoa New Zealand faces
- a National Adaptation Plan, which will outline the Government's approach to improving New Zealand's resilience to the effects of climate change
- monitoring and reporting against the National Adaptation Plan to ensure accountability.

A reporting power will enable the responsible Minister to require central and local government organisations and 'lifeline utility providers' to report on adaptation.

National Climate Change Risk Assessments

The Commission will carry out regular risk assessments at intervals of no more than six years. These will:

- assess a range of risks from climate change
- identify the most significant risks to address in the National Adaptation Plan.

The responsible Minister will table the report in Parliament and the Commission will publish it, along with any new evidence commissioned to support it.

To ensure a timely implementation of the Zero Carbon Amendment Bill framework, the Government will complete the first assessment shortly after the passing of the Bill. The Commission will complete all subsequent assessments.

National Adaptation Plan

A National Adaptation Plan will be published no later than two years after every risk assessment. This will outline the Government's approach to improve resilience to the effects of climate change.

The Minister will publicly consult on the draft plan before it is finalised. This will be an opportunity for individuals and organisations to help improve New Zealand's response to climate change over time.

The Commission will monitor and report on each plan, completing progress reports every two years and making any recommendations.

Adaptation reporting power

This power will allow the Minister to require specific central and local government organisations and 'lifeline utility providers' to produce an adaptation report. Lifeline utilities provide essential services to the community, such as water, wastewater, transport, energy and telecommunications.

Climate Change Commission

The proposed Commission will give independent, expert advice and keep the Government accountable for its climate policy goals.

Key proposals

- The Zero Carbon Amendment Bill will establish the Climate Change Commission as an independent Crown entity with advisory and monitoring functions. Its purpose will be to:
 - give independent, expert advice to the Government on emissions reduction and climate resilience
 - monitor and review the Government's progress towards its emissions-reduction and climate-resilience goals.
- The Commission will be governed by a board of seven members with relevant expertise in a range of fields.
- It will have ongoing functions to advise the Government on emissions budgets, plans and policies, NZ ETS settings, and climate risks. The Government can also ask the Commission for advice about other climate-related matters.
- The Commission will generally act independently of government policy when it performs its functions.

Selection of the seven members will be expertise-based, using a robust and rigorous process.

The Commission will not have decision-making power. The Government will continue to make decisions about Aotearoa New Zealand's responses to climate change within the framework of the legislation. This will ensure the elected government remains responsible and accountable for policy choices. It will also allow the Commission to focus on its role as an independent advisor.

The Commission will have a range of ongoing functions to help New Zealand mitigate and adapt to the impacts of climate change, in a well-informed and transparent way. Those functions are described in the other sections of this paper.

Independence of the Commission

Like other independent Crown entities, the Commission will act independently of government policy when it performs its functions, except where legislation specifically allows.

The Bill will allow the responsible Minister to direct the Commission to consider government policy only in two specific instances:

- when the Commission gives its regular advice about the NZ ETS settings
- if the Commission is asked for advice about New Zealand's Nationally Determined Contribution (NDC) under the Paris Agreement.

In both cases, the Commission's advice will be most effective if it takes the Government's other policy commitments into account. For example, the Commission might need to consider the Government's intended policies to reduce emissions when it advises on the ETS, and to take into account foreign policy objectives when it advises on an NDC.

Selecting commissioners

The Governor-General will appoint the commissioners on the recommendation of the responsible Minister, for terms of up to five years.

Because the Commission has a significant role in guiding New Zealand's economic transition, the selection process is robust.

Commissioners will be selected for a range of relevant expertise, rather than representing sectors or groups. To get the right balance of expertise, the Minister will need to consider specific matters set out in the Zero Carbon Amendment Bill.

Once the Commission is established, an experienced and suitably qualified nominating committee will be set up to identify candidates as roles become vacant. The Minister can then recommend appointments from the pool of candidates.

The Ministry for the Environment has been given approval to convene an establishment team to undertake the preparatory work required to set up the Commission and identify the first commissioner candidates. This is so the Commission can be fully functional soon after the Zero Carbon Amendment Bill is enacted. This is in lieu of a nominating committee, and officials will follow a robust and transparent process to seek nominations for the first commissioners.

It is important that successive governments, and members of Parliament across the House, have confidence in the Commission and its advice. Before recommending appointments to the Governor-General, the Minister must consult with representatives of other parties in Parliament.

Power to consult and to access information

The Commission will be able to consult broadly and share information with government departments. It will also have statutory provisions to access information that it might not otherwise be able to gain: for instance information about the NZ ETS, which is protected by the Climate Change Response Act 2002.